

Service Date: April 3, 2002

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

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| IN THE MATTER OF MONTANA POWER |) | UTILITY DIVISION |
| COMPANY, Annual Application to Implement |) | DOCKET NO. D2001.12.156 |
| Its (1) Unreflected Gas Cost Account Balance and |) | ORDER No. 6394c |
| Projected Gas Cost; and (2) Gas Transportation |) | |
| Adjustment Clause Balance (GTAC) |) | |

AMENDED INTERIM ORDER

FINDINGS OF FACT

1. On December 7, 2001, Northwestern Energy (NW), formerly Montana Power Company, filed an application with the Public Service Commission (PSC or Commission) for an overall decrease in natural gas revenues of (\$32,311,658) to reflect the annual Gas Tracking/Unreflected Gas Cost Adjustment and Gas Transportation Adjustment Clause (GTAC) Balance procedures. The Commission approved the request for an Interim Order on December 18, 2001.

2. On February 21, 2002, Montana Consumer Counsel (MCC) staff and PSC staff met in Butte with NW to discuss an apparent error in its filing. It was shown to NW that the requested \$9,433,960.92 had already been included in last years Gas Tracker, D2001.1.1. NW staff said it would take this under advisement and respond at a later date.

3. On March 15, 2002, NW staff met with MCC and PSC staff and accepted that its filing was indeed overestimated by the \$9,433,960.92 figure and agreed to remove it from its filing and repay the over collection plus interest.

4. On March 26, 2002, the Commission approved the reduction in NW's filing, gave approval for an Amended Interim Order and stated that the refund would include interest at 10.75 percent.

CONCLUSION OF LAW

1. Northwestern Energy (NW) provides natural gas service within the State of Montana and as such is a “public utility” within the meaning of § 69-3-101, MCA.
2. The Montana Public Service Commission properly exercises jurisdiction over the NW’s rates and operations pursuant to Title 69, Chapter 3, MCA.
3. The Commission may at its discretion, within the scope of § 69-3-304, MCA, make temporary approvals of requests pending a hearing or final decision.
4. The rate levels and spread approved in this Order are a reasonable means of providing interim relief to NW. The rebate provisions of § 69-3-304, MCA, protect ratepayers until there is a Final Order in these Dockets.

ORDER

1. Northwestern Energy shall implement, on an interim basis, rates designed to decrease annual Montana jurisdictional natural gas revenues by (\$9,433,960.92).
2. NW shall adhere to and abide by all provisions in this Amended Interim Order. All rate schedules shall comply with all determinations set forth in this Amended Interim Order.
3. NW must file tariffs in compliance with the Findings of Fact in this Amended Interim Order.
4. Nothing in this Order precludes the Commission the Commission from adopting in its Final Order a revenue requirement different from that contained in this Amended Interim Order.
5. Any interest associated with a refund that might result from the final revenue granted in this Amended Interim Order will be computed at 10.75 percent, the approved return on equity for this Interim Order.
6. Interim approval of any matters in this proceeding should not be viewed as a final endorsement by the Commission of any issues, calculations, or methodologies approved in this Amended Interim Order.
7. This Amended Interim Order is effective for services rendered on and after April 1, 2002.

DONE IN OPEN SESSION at Helena, Montana on this 26th day of March 2002, by a vote of 5 to 0.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

GARY FELAND, Chairman

JAY STOVALL, Vice Chairman

BOB ANDERSON, Commissioner

MATT BRAINARD, Commissioner

BOB ROWE, Commissioner

ATTEST:

Rhonda J. Simmons
Commission Secretary

(SEAL)

NOTE: Any interested party may request the Commission to reconsider this decision.
A motion to reconsider must be filed within ten (10) days. See ARM 38.2.4806.